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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
	:	
SAINT VINCENTS CATHOLIC MEDICAL	:	Case No. 10-11963 (CGM)
CENTERS OF NEW YORK, <u>et al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
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**NOTICE OF CANCELLATION OF AUCTION AND SCHEDULING OF
SALE HEARING IN CONNECTION WITH THE SALE OF THE DEBTORS'
ST. ELIZABETH ANN'S ASSETS, AND PROCEDURES RELATED THERETO**

PLEASE TAKE NOTICE THAT:

1. Introduction. On June 30, 2011, the Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), upon the motion (the "**Motion**") of Saint Vincents Catholic Medical Centers of New York ("**SVCMC**") and certain of its affiliates, as chapter 11 debtors and debtors-in-possession in the above-referenced chapter 11 cases (each a "**Debtor**" and collectively the "**Debtors**"),¹ entered an order (the "**Bidding Procedures Order**") (a) approving the bidding procedures and bidder protections with respect to the sale (the "**Sale**") of certain real estate and personal property assets (together the "**SEA Assets**")² related to Sisters

¹ In addition to SVCMC, the Debtors are as follows: (i) 555 6th Avenue Apartment Operating Corporation; (ii) Bishop Francis J. Mugavero Center for Geriatric Care, Inc.; (iii) Chait Housing Development Corporation; (iv) Fort Place Housing Corporation; (v) Pax Christi Hospice, Inc.; (vi) Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center; (vii) St. Jerome's Health Services Corporation d/b/a Holy Family Home; and (viii) SVCMC Professional Registry, Inc. There are certain affiliates of SVCMC who are not Debtors.

² As used herein, the term "**SEA Assets**" shall refer to the assets being transferred to the Purchasers (defined herein) pursuant to (i) the APAs (as defined herein) and (ii) in the event (x) the Debtors exercise the put option (the "**Put Option**") contained in the Bayley Seton Lease (defined herein), or (y) the Ground Lessee (defined herein) exercises its purchase option (the "**Call Option**") contained in the Bayley Seton Lease, those assets transferred to the Purchasers pursuant to the Put Option or the Call Option.

of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center ("**St. Elizabeth Ann's**") and entering into the Lease (defined below), and assignments of certain contracts and leases related thereto; (b) scheduling an auction (the "**Auction**") and a hearing (the "**Sale Hearing**") for the Sale of the SEA Assets and entering into the Lease; and (c) approving certain procedures related to the assumption and assignment of those executory contracts and unexpired leases related to the SEA Assets and whose assignment is contemplated by the Sale.

2. **Stalking Horse Bid.** Prior to filing the Motion, the Debtors entered into (i) that certain Asset Purchase Agreement for the sale of the personal property assets of St. Elizabeth Ann's (the "**Nursing Home APA**") with SV Operating Three, LLC (the "**Nursing Home Purchaser**") and the assignment of certain contracts and leases related thereto, (ii) that certain Purchase and Sale Agreement for the sale of the real estate of St. Elizabeth Ann's (the "**Real Estate APA**," together with the Nursing Home APA, the "**APAs**") with SV Land Three, LLC (the "**Real Estate Purchaser**,"), and (iii) that certain lease (the "**Lease**," and with the APAs, the "**Stalking Horse Bid**") of land, building, and equipment related to the Debtor's Bayley Seton campus (the "**Bayley Seton Campus**") with SV Land I, LLC (the "**Lessee**," together with the Nursing Home Purchaser and the Real Estate Purchaser, the "**Purchasers**"). As set forth in the Bidding Procedures, the Stalking Horse Bid remained subject to the receipt of Qualified Bids (as that term is used in the Bidding Procedures) from prospective bidders and the Auction.

3. **Cancellation.** Pursuant to the Bidding Procedures Order, the deadline for the submission of Qualified Bids was Monday, July 25, 2011 at 12:00 p.m. (prevailing Eastern Time) (the "**Bid Deadline**"). Because the Debtors did not receive any Qualified Bids other than the Stalking Horse Bid by the Bid Deadline, the Auction, originally scheduled for July 28, 2011, is hereby cancelled.

4. **Sale Hearing.** The Bidding Procedures Order provides that the Sale Hearing will be held on **August 4, 2011 at 11:00 a.m. (prevailing Eastern Time)**, before the Honorable Cecelia G. Morris, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408. Please note that the specific courtroom will be assigned prior to the hearing and will be posted by a notice on the Bankruptcy Court's docket. At the Sale Hearing, the Debtors will request that the Bankruptcy Court enter an order approving the Sale to the Purchasers pursuant to the Stalking Horse Bid.

5. A copy of each of the Bidding Procedures Order or any other document referenced herein can be viewed and obtained on the Court's website at <https://ecf.nysb.uscourts.gov> or (without charge) at <http://svcmcrestructuring.com>.

Dated: New York, New York
July 27, 2011

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